

# Effect of Performance contract “Imihigo” on Socio-Economic Development in Rwanda. Gakenke District

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**Abstract:-** The study thought to assess the effect of performance contracts “Imihigo” on socio-economic development in Gakenke District, Rwanda focusing on environment protection, agriculture development, infrastructure development, entrepreneurship development and social development. The study adopted a cross-sectional design using both quantitative and qualitative research approaches on a sample of 86 respondents. Quantitative data involved the use of descriptive statistics particularly frequencies, percentages and the mean. Findings revealed that the effect of performance contracts “Imihigo” on social-economic development in Gakenke district presented a positive impact on the lives of people. Local people moved from the subsistence production to cash cropping due to increased agriculture techniques, local leaders at different levels boosted the environment protection, improved infrastructures, increased the access of energy, created new off-farm activities and improved roads and bridges to facilitate people’s movements of goods within and outside the district. The study recommended leaders from Gakenke district to revisit the entrepreneurship development by mobilizing people to increase their level of confidence in jobs creation and the spirit of innovation for their future livelihood and people’s priorities should be taken into consideration during imihigo process and the increase of infrastructures in gakenke district needs more attention because people are still travelling long distances for getting basic services especially education and health facilities.

**Key Words:** Development, “Imihigo”, Socio-economic development

## I. INTRODUCTION

The principle of social development consists of investing in people where every citizen has the opportunity to grow, to develop own skills, and to contribute to own families and communities. If people are healthy, well- educated and trained to enter the workforce and are able create decent wage by their own, now they are well equipped to meet their basic needs and being successful. The research lists the following needs for a society to grow namely: affordable high quality child care system, a safe affordable place to live, and other investments in people that contribute to the economic prosperity such as youth programs and services, post-secondary education, job creation, promotion of healthy, active living and safe and secure communities (Zephyrin, 2018).

## II. REVIEW OF RELATED LITERATURE

### *Performance Contracts*

England (2000) defines performance contract and clearly show its mission of addressing economic, social or other tasks that an agency has to discharge for economic performance or for other desired results. It organizes and defines tasks so that management can perform them systematically, purposefully, and with reasonable probability of accomplishment. It also assists in developing points of view, concepts and approaches for determining what should be done and how to go about it. Performance contracts comprise determination of mutually agreed performance targets and review and evaluation of periodic and terminal performance.

Jody et al (2004) states that performance contracts are contracts that define expectations of the concerned parties. They define the work to be done, the results to be attained, the attributes (skills, knowledge and expertise) and the competencies that are required to achieve defined results. Parties also identify measures used to monitor, review and assess the performance.

This definition of Jody does not mention the role of government in planning and in evaluating performance contracts. The following World Bank’s definition fills this gap.

According to the World Bank (1995) performance contract is as a written or negotiated agreement between government or its representative agency and the management of public enterprises and other autonomous units directly delivering services to public, or between government and private managers of state assets, where in quantifiable targets are explicitly specified for a given period and performance is measured against targets at the end of the period.

On cited previous definitions of performance contracts, Schiavo-Campo and Sundaram (2001) add a new notion of transparency. According to the authors, transparent governance is an important element in performance contracts as it is a means that the citizens know what the public administration is doing, how it is doing it, and why it is doing it, including its planning for the future.

*Overview of Imihigo in Rwandan context*

According to RGB (2016) Imihigo is the plural Kinyarwanda word of Umuhigo, which means to vow to deliver. Imihigo also includes the concept of Guhiganwa, which means to compete among one another. Imihigo consists of the pre-colonial cultural practice used in Rwanda where an individual sets targets or goals to be achieved within a specific period of time. In order to achieve such umuhigo, the person must complete these objectives by following guiding principles and be determined to overcome any possible challenges that arise. In the old Rwandan cultural practice also, two parties publicly could commit themselves to the achievement of a particularly demanding task (Guhiga). Failing to meet these commitments (umuhigo) usually led to dishonor, not only to the participating individuals but to the community as a whole. Those who achieved their pledges became role models in the community, and their exploits were echoed in history. In modern period, as part of efforts to reconstruct Rwanda and nurture a shared national identity, the Government of Rwanda drew on aspects of Rwandan culture and traditional practices to enrich and adapt its development programs to the country's needs and context. In this line, the Government of Rwanda developed a set of Home Grown Solutions - culturally owned practices translated into sustainable development programs. One of these Home Grown Solutions is Imihigo.

Since 2000 with the Vision 2020, a shift in the responsibilities of all levels of government as a result of a decentralisation program required a new approach to monitoring and evaluation. Local levels of government were now responsible for implementing development programs which meant that the central government and people of Rwanda needed a way to ensure accountability. Imihigo was introduced to address this need in 2006.

Imihigo is a home-made approach that entails the signing of performance contracts between the President of Rwanda, Government Ministries and Districts Mayors. The contract details what each respective institutions targets to achieve in a period of one year, within the pillars of governance, economic, social sectors of economy. Imihigo further demonstrate a high-level demand for the use of data to improve development process. The stated objective of Imihigo is to improve the speed and quality of government programmes execution, thus making public agencies more effective. It is a means of accelerating progress towards economic development and poverty reduction (MINALOC, 2012).

*Types of socio-economic development*

Fritz (2011) distinguishes three components of socioeconomic development namely: Social development; Economic development; and Environmental protection. These elements are described in the following text.

*(i) Social development*

According to Fritz (2011) social development includes policies and programs dealing with income, poverty, employment, employment security, education, health, crime and civic participation. 24 Applying this classification to Imihigo program the key priorities of the social development pillar of Imihigo include projects for eradication of poverty, improving education and health infrastructure as well as increasing access in both areas. The key outputs in education comprise enhancing the quality of education and the multiplication of vocational and technical training centers (TVET) with the aim of improving access to employment among the youth through skills development. As for health, key outputs are targeted towards increased coverage of community health insurance, health hygiene, sanitation and social facilities and sustaining the fight against malnutrition against children under five years of age (IPAR, 2014).

*(ii) Economic development*

Feldman et al. (2016) define economic development as the expansion of capacities that contribute to the advancement of society through the realization of individual, firm and community potential. Economic Development is measured by a sustained increase in prosperity and quality of life through innovation, lowered transaction costs, and the utilization of capabilities towards the responsible production and diffusion of goods and services. Economic Development is essential to creating the conditions for economic growth and ensuring economic future.

*(iii) Environmental protection*

Environmental protection is practiced for protecting the natural environment on individual, organization controlled by governmental levels, for the benefit of both the environment and humans. Among regulations of Environmental Protection Act (2002), two attract the attention for this research namely: protection of the environment for the present and future generations and protection of human health; the economic organization of environmental protection activities (SG No. 98/18.10.2002). The main aim of Environmental protection is to ensure sustainability of life whereby socio economic development is pursued for the present without compromising the future generations.

*Socio-economic indicators*

Carley & Bustelo (2012) list the following socio-economic development indicators grouped under 6 themes namely Demographic and health; Educational and cultural; Employment (Labor market); income and poverty; housing and urban infrastructure; quality of life and environment. The following are indicators per theme:

Socio-economic indicators

Theme	Indicators
Demographic and health	Birth rate, demographic increase rate, child mortality rate, life expectancy at birth, rate of death per causes, morbidity and health attendance, under nutrition, malnutrition rate.
Educational and cultural	Illiteracy rate, average schooling, information and culture access
Employment	Unemployment rate, average income
Income and poverty	GDP per capita, average familiar income, Gini Index, Index, Poverty rate
Housing and urban infrastructure	House condition, urban services accessibility, transport infrastructure
Quality of life and environment	Satisfaction with house, neighborhood, city and basic infrastructure, crime and homicides, environment (air condition, water, waste treatment, garbage collection)

Source: Carley & Bustelo (2012).

III. METHODOLOGY

This research used a mixed of exploratory, descriptive, explanatory and evaluative research design. In fact, the researcher explored important activities (facts) realized by Imihigo and improving the socio-economic development of the population namely schools, health centers, agriculture, infrastructure, environment protection. The research not only explored them but also described them by outlining the statistical data related to such facts. Explanations were used using testimonies and data collected from the population. The research used evaluative design to attain the aim of assessing the contribution of Imihigo as a government program with clear targets. The research evaluated the performance on socioeconomic development of the population.

Sample size determination

Barreiro and Albandoz (2001) affirms that a sample is deemed necessary because it is not possible to carry out an investigation over the whole population due to constraints of resources, time and money. To determine the sample population for local administrative leaders who responded to the questionnaire, the research used Slovin’s formula stating that:

$$n = \frac{N}{1+N(e)^2}$$

Where:

n= sample population; N= total population; e= the standard margin of error at 90% confidence interval, which is equal to 10% or 0.1.

By applying the formula to the research, the sample population is calculated as the following:

$$n = \frac{N}{1+N(\alpha)^2}$$

Where,

n= Sample size

N = Study population

α = 0.10 significance level (margin of error) with a confidence level of 90%.

By applying the formula to the research, the sample population is calculated as the following:

$$n = \frac{617}{1+617(0.10)^2} = \frac{617}{7.17} = 86.05 = 86$$

The results of the application of the formula show that the research involved 86 community leaders.

Data Analysis

In analysis of qualitative data, patterns and connections within and between categories of data collected were established. Data was presented in form of notes, word-for-word transcripts, single words, brief phrases and full paragraphs (Powell & Renner, 2003). Data was interpreted by content analysis composing explanations and substantiating them using the respondents open responses. While analysing qualitative data, conclusions were made on how different variables are related. The Statistical Package for Social Sciences (SPSS 22.0) was used for data analysis.

IV. RESULTS AND DISCUSSION

Socio-demographic characteristics of respondents

Table 1: Gender characteristic of the respondents

Gender of respondents	Frequency	Percent	Valid Percent	Cumulative Percent
Male	51	59	59	59
Female	35	41	41	100.0
Total	86	100.0	100.0	

Source: Source: Field data 2018.

Considering sex category, the table above shows that among 86 village leaders involved in the research, 59% were male against 41% female. Despite in Gakenke District as in Northern Province in general, women are 52.7% against 47.3% men (NISR, 2014). However, women are less likely to be village leaders. This may be justified by the heavy travels in mountain region to solve problems of people living in dispersed areas

Table 2: Level of respondents

Education level	Frequency	Percent
No education	3	3
Primary	71	83
O' Level	8	9
A' Level	4	5
University	0	0
Total	86	100

Source: Field data 2018

Concerning education level, the majority of respondents attended primary education (83%); 9% attended O' level; 5% attended A' Level whereas 3% have no education level. This is justified by the history of Rwanda where the education sector was developed after the genocide; and the majority of village leaders are adult people (Mathisen, 2012).

Table3: Change brought in agriculture sector by Imihigo

Changes brought in	Results	Frequency	Percent
Improved agricultural techniques	Increased land consolidation for maize, beans and wheat	86	100
	Reduction of soil erosion through radical terracing and irrigation	86	100
	Increased production of maize, beans and wheat	86	100
	Increased agriculture productivity	86	100
	Increased export promotion through coffee	86	100
	Improved quality of coffee production	86	100
	Reduction of malnutrition	86	100
	Increased food security and reduction of hunger	86	100

Source: Field data 2018

The table above shows that 100% of respondents affirmed positive contribution of Imihigo system in improving the agriculture sector. The changes brought in by Imihigo are mainly in improving agricultural technology whereby the whole population of Gakenke and their leaders are passing from traditional and subsistence agriculture to modern agriculture. This is indicated by the participation in Land use consolidation and radical terracing, irrigation techniques together with the use of fertilizers. Unanimously, 100% of respondents affirmed that through Imihigo system agricultural production was increased by hitting the target of the district in this sector. The end result was the reduction of hunger and malnutrition through increased food security. In this spirit, one of respondents said: “ *today in Gakenke district, local people moved from the subsistence production to cash cropping due to increased agriculture technique thanks to imihigo. The spirit of hitting goals from the performance contracts of local leaders at different levels increased the commitment and competition to improve our production.* These achievements are in the same view of Scher (2010: 2), who states that *Imihigo is a “way of using social and traditional pressure to push mayors to greater levels of achievement”.* In other words, *it fosters the spirit of competition in service delivery amongst mayors when implementing development programs”.*

Through interviews and focus group discussions, most of participants affirmed that some illness caused by malnutrition known in Kinyarwanda as “Bwaki”, “kugwingira” do not exist in Gakenke District nowadays. They affirmed that the production has so increased that they sell over production to markets for financing other businesses. Concerning Imihigo

system, they affirmed that before Imihigo, everybody used his/ her soil in disorganized ways and the production was low. Imihigo, on other side, push people working hard to achieve set objectives and the result become positive

Table 4: Change brought in environment sector by Imihigo

Changes brought in	Results	Frequency	Percent
Increased Hectares of new forest and agro-forest planted	Reduction of soil erosion through planting new forests	86	100
	Soil protection through planting trees in high risk zones	86	100

Source: Field data 2018

The table above shows that Imihigo brought change in environment protection by increasing the area of new forest plantation. The respondents to the research affirmed at 100% that the result from trees planting was the reduction of soil erosion that increased soil protection and this resulted in increased agricultural productivity that in turn affects positively the socio-economic live in several ways.

In fact, Gakenke District is covered by several hills where soil protection is required to maintain the life. This finding is supported by the secondary data presented in table 8 of this research; and corroborated by the research conducted by IPAR (2017) where the research found that in 2016/2017, 183091 ha of trees were planted for reforestation over the whole territory of Rwanda.

Table 5: Change brought in infrastructure development through Imihigo

Changes brought in	Results	Frequency	Percent
Improved roads, bridges, and market infrastructure	Increased intra- sectors commerce in Gakenke District	83	97
	The local products are sold at appropriate price	74	86
	Increased businesses between Gakenke and Musanze	62	72
	Increased business between Gakenke Rulindo	58	67
	Increased business between Gakenke Kigali City	41	48
Improved access to electricity	Increased use of telephones, computers, and internet	62	72
	Creation of new businesses (Salon, welding, restaurants )	61	71
	Increased time allocated to business (commerce)	45	52
	Improved mindset through access to information (TVs)	39	45
Improved biogas	Contributed to increase of electricity spread	12	14
	Introduced a modern way of cooking	5	6
Improved access to clean	Improved hygiene for body, clothes, meal, etc	59	69

water	Water can be accessed at low distance	41	48
	Reduction of diseases caused by poor hygiene	37	43
Access to ICT in rural area	Improved access to trainings in ICT	30	35
	Increase of people using internet	25	29
	Improved communication internally and abroad	10	12
Improved urbanization	People's facility access to infrastructure	21	24
	Easy access to services (schools, health centers,...)	16	19

Source: Field data 2018

According to the table 6, roads improvement, bridges and marked infrastructures are well positioned and the intra-sectors trade and movement between people is done properly thanks to Imihigo system. However, the business between Gakenke and Kigali is still low as stated by 48% of respondents. This is justified by the fact that the mindset of Gakenke residents is not opened enough to external exchange. According to respondents, the access to electricity has been improved but the access to information through T.V scored 45% of respondents, thus there is a need of more improvement in this aspect. Furthermore, despite the availability of electricity, the time allocated to business has been slightly increased as suggested by 52% of respondents. Findings have shown that the use of biogas is still at its infant level due to the fact that only 6% of respondents suggested that biogas was introduced as a modern way of cooking and 14% of respondents affirmed that biogas contributed to the increase of electricity spread in Gakenke district which really is the lowest rate of dissemination. More efforts are needed in this sector because biogas is a good source of energy less expensive thus affordable for rural people.

As far as the access to clean water and access to ICT are concerned, these areas scored less percentages from respondents. This situation justifies how the issue of water is very challenging in Gakenke district, because the easy accessibility of water by people scored 48% of respondents. More infrastructures of water supply are needed to be considered in the future performance contracts. The issue of ICT is far to be handled in Gakenke district, because all aspects under this variable scored less than 50%. This situation indicates that Gakenke District is a rural area that needs more attention in ICT in order to raise the level of understanding of people. The level of urbanization is also under 50%, people's facility access to infrastructure (schools, health facilities) is supported by 19% of respondents. Local leaders at district, sector, cell and villages levels should take into account these realities and formulate projects according to people's priorities.

Table 6: Changes brought in entrepreneurship development through Imihigo system

Changes brought in	Results	Frequency	Percent
Focus on entrepreneurs hip	New off- farm jobs are created	62	72
	Increased effectiveness of cooperatives	59	69
	Improved access to finance through BDF and SACCO	31	36
	Increase of confidence in creating own jobs	27	31
	Mindset change towards modern activities (business)	10	12

Source: Field data 2018

The table above outlines changes brought in entrepreneurship by Imihigo system. The respondents affirmed that 69% that cooperatives increased their effectiveness and Imihigo contributed to new off- farm job creation (72%) and business development in general through facilitated access to finance. Interviewed and participants to focus group discussions affirmed that "Imihigo yaradukanguye buri wese asigaye azi gushabika" (Imihigo tired us out of sleeping and everybody is motivated to fight for self- development). However, the mindset change (12%) and the increase of confidence in creating jobs (31%) are still low as far as the entrepreneurship is concerned. The spirit of innovation through training and good practices in entrepreneurship sector should be encouraged to wake up the mind of Gakenke population

Table 6: Changes brought in social development through Imihigo system

Changes brought in	Results	Frequency	Percent
Improved socio protection programs	Increase of livestock production through Girinka	86	100
	Poorest people are assisted through VUP and Ubudehe	86	100
Improved education	Improved school enrolment	86	100
	Improved class attendance through school feeding	74	86
	Improved hygiene at school through new toilet constructed	61	71
	Increased number of classrooms reducing overloading	58	67
Improved health care services	Improved access to health insurance	86	100
	Improved services of "Abajyanama b'ubuzima" (health care assistants)	86	100
	Reduction of diseases through access to health care services	85	99
	Basic cure for children are given at village level	82	95
	Improved childcare services	81	94
	Improved maternal health	71	83
	Use of ambulance for transporting patients	59	69
	Short distance to health centers	25	29
Increased health infrastructure	15	17	

Gender equality through Evening parents assembly	Updates on social issues such as education of children	81	94
	Conflicts resolution through parents' assembly	58	67
	Prevention of households' conflicts	41	48

Source: Field data 2018

The table above assesses changes brought in social development by Imihigo system. The main changes outlined by the research are: Improved socio protection programs, education, health care services and gender equality. A series of positive results on social development improved lives in poor families by Girinka (one cow per one poor family) and VUP whereby respectively children access to milk and families gain income; students enrollment in primary, nine and twelve schools has increased and the life at school was improved through school feeding; women give birth at health centers and the traditional mode of transporting sick persons was replaced by ambulances. However, the health infrastructures scored 17% and the short distance between households and health center scored 29%. This indicates that there is a need to put more attention on the increment of health infrastructures in Gakenke District by reducing the distance between villages and health centers. Furthermore, the prevention of households' conflict is still at the lowest lever, it gained support of 48% of respondents. This indicates that there are conflicts in different households, then there is need a continual sensitization of people through different gatherings for gender mainstreaming.

## V. CONCLUSION

It was concluded that different socio-economic indicators like agriculture development, environment protection, infrastructure development, entrepreneurship development and Social development shows a positive trend and therefore justifies the relationship between the great achievements of Gakenke district from 2012-2018 and the ranking held by the district during this period of time. However, there is a need to pay more attention on different indicators that scored less percentages from respondents by suggesting the way of continuous improvement of the standards of living of the people in Gakenke District.

## VI. RECOMMENDATIONS

The study recommended the following:

- (i) People from Gakenke District should exploit fully opportunities brought by the availability of electricity in their District by maximizing the time allocated to business and access to information through TV
- (ii) Access to clean water and access to ICT need more attention from the district leaders to facilitate people from Gakenke an easy usage for their development.
- (iii) Increasing Health and education facilities should be taken into consideration by the district in Imihigo so that to reduce the distance between households and the access to these facilities

- (iv) The spirit of entrepreneurship needs to be revisited in Gakenke District by mobilizing people to increase their level of confidence in jobs creation and the spirit of innovation for their future livelihood.
- (v) People from Gakenke District need to be open to external business by changing their mindset with the purpose to become competitive
- (vi) It is necessary to put more effort in mobilizing people through different gatherings in Gender mainstreaming so that to reduce the conflicts observed in different households in Gakenke District.
- (vii) Health and education infrastructures in addition to other people's priorities should be considered in the District plan to speed up the level of development of people in Gakenke District.

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